

EXHIBIT 7

From: Neithercut, Peter [PDNeithercut@mactec.com]
Sent: Monday, October 30, 2006 3:50 PM
To: Russ Perry
Cc: Kevin Lombardozzi
Subject: RE: HOMCO - Kalkaska

IS THIS SUFFICIENT?

SUMMARY OF NL INDUSTRIES PAST AND FUTURE COSTS

HOMCO Facility #166
Kalkaska, Michigan

1. To date, MACTEC has invoiced NL Industries \$191,507.00.

2. Future costs related to the TCE plume:

The annual cost for monitoring, reporting, operation and maintenance is \$44,645. I believe we will be able to shut off the system in 2 to 3 years, at which time the MDEQ will require 4 quarterly groundwater sampling events for confirmation purposes. I would estimate the sampling events to cost \$3,000 each. If the four sampling events support closure, a final report will then be prepared and submitted to the MDEQ. The cost for the final report, follow-up negotiations with the MDEQ, and the effort to address their inevitable additional data request should not exceed \$10,000.

Once the MDEQ accepts the closure, the two existing treatment systems and all wells will need to be abandoned. Assuming NL Industries surrenders the salvage value (less than \$3,000 per well), the cost to abandon each system should be around \$5,000. To my knowledge, between the two treatment systems, there are 7 recovery wells, 2 injection wells and around 20 monitoring wells that will require closure, at an estimated cost of \$8,000 total.

3. Future costs related to the Northwest Plume:

The Northwest Plume is a petroleum-related plume that originated in a dry-well at the HOMCO facility and extended in a northwest direction toward the property line. A groundwater pump-and-treat system operated for a number of years and the chemical constituents used as petroleum contamination indicators were reduced to levels acceptable for closure. However, in 2002, the groundwater still had a strong petroleum-related odor, which was sufficient justification for the MDEQ to deny closure. The MDEQ allowed Grace to turn off and remove the pump-and-treat system, and postpone addressing the odor issue until final closure of the entire site.

The groundwater odor has not been evaluated by the MDEQ since 2002. If the odor is not objectionable, the future cost to close the Northwest Plume is negligible. If the MDEQ finds the odor is still objectionable, the cost to implement some type of in-situ or ex-situ treatment system could exceed \$100,000.

4. At this time, MACTEC does not know of any pending or potential third party claims.